

SEMI-ANNUAL INDEX  
OF  
FARM REAL ESTATE VALUES  
IN OHIO  
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by  
H. R. Moore

Department of Rural Economics  
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Real Estate Activity

Conditions related to the real estate market have had some new developments in the first six months of 1933. In the early part of the year there was a continuation of the stagnation in which business had been drifting for three years or more. Then came the financial panic which probably marked the low point of the current depression, followed by steps leading to recovery. In late spring and early summer business and financial conditions had either improved or had shown sufficient indications of becoming better to ease some of the handicaps that have retarded real estate transactions.

More Activity.- Taking the first six months of 1933 as a whole a majority of realtors have reported as much or more market activity than in the same period of 1932. The tide has rather definitely turned toward more activity. But as related above, improved conditions came late in the period and up to July first could not be considered universal for in the judgment of 28 per cent of the realtors business in their respective communities was slower than a year previously as compared with 38 per cent who reported more transactions and with 34 per cent who saw no change. The increase in activity is still spotted, concentrating in the smaller acreages. However, the average size of tracts sold voluntarily was 75 acres as compared to 70 acres in the previous six months and to about 90 acres for all other periods back to 1928.

Although demand still centers on the small farms around our larger cities a few realtors operating primarily in larger farms have reported more actual sales in the first half of 1933 than for any period since 1930.

### Voluntary Sales

Analysis of the voluntary sales on the basis of size indicates that tracts of less than 20 acres sold at a higher average price in the past six months than in 1932 and at practically the same price as existed in 1930 and 1931. These smaller tracts, most of them less than 10 acres, are presumably for residential purposes or for some type of farming or business use where location is the chief controlling factor. Tracts of 20 acres and more sold at a lower average price per acre the first six months of 1933. However, it may be that the direction of price trend turned upward before the end of the period, although not enough to increase the average for the six months.

Table I.- Average Prices of Different Sized Tracts of Rural Real Estate, 1929-1933

Year	0 to 19 acres		20 to 99 acres		100 acres and over	
	Price per	Relative	Price per	Relative	Price per	Relative
	acre	price	acre	price	acre	price
	Dollars	Per cent	Dollars	Per cent	Dollars	Per cent
1929	526	100	112	100	68	100
1930	469	89	100	89	61	90
1931*	470	89	79	71	50	73
1932	442	84	74	66	41	60
First 6 mo. 1933	469	89	67	60	38	56

\*First six months only.

Reorganization of credit facilities and better prices for agricultural products have had some effect on the farm real estate market. Part of this has been merely the anticipation of changed conditions. Prior to July first more market activity existed, as previously indicated; the effect on land prices should soon be noticeable. Credit institutions with numerous farms in their possession are adopting the policy of holding in order to reap the advantage of this anticipated rise in land prices.

A continuance of the downward trend carried the average price of farm real estate to a new low of \$51.14 per acre for the first six months of 1933. This is 58 per cent as high as the 1923 price or at about the level of land prices in 1905.

Table II.- Prices of Farm Real Estate in Ohio

Year	Dollars per acre	Index (1923 = 100)
1923	88.92	100
1924	84.06	95
1925	83.46	94
1926	83.30	94
1927	81.31	91
1928	75.61	85
1929	74.74	84
1930	71.19	80
1931	67.98	76
First 6 mo. 1932	54.97	62
Second 6 mo. 1932	53.82	61
First 6 mo. 1933	51.14	58

#### Involuntary Sales

Little change in the price relationship of foreclosure to voluntary sales occurred in the past six months. Foreclosure prices declined slightly more, being 78 per cent of the voluntary price as compared to 79 per cent for the period of July - December 1932.

Table III.- Voluntary Sale and Foreclosure Sale Prices in Various Periods Compared

Period	Price per Acre		Foreclosure price as a Percentage of Voluntary Price
	Voluntary	Foreclosure	
1926 - 1928	\$ 80.07	\$ 55.25	69
1929	74.74	48.15	64
1930	71.19	49.12	69
January - June 1931	67.98	50.23	74
" " 1932	54.97	43.22	79
July - December 1932	53.82	42.74	79
January - June 1933	51.14	39.82	78

The frequency of foreclosures under existing economic conditions prompted the Ohio General Assembly to pass the "Best Bill" giving the common pleas court power to restrain foreclosure proceedings, so far as equitable, until not later than February 1, 1935. The reason for this act is stated in its last section which, in part, reads: "The necessity.....lies in the fact that foreclosure sales in these times of economic depression result in sacrificing property at low prices which do not generally discharge the debt secured while effecting a destruction of the security." This emergency law is slowing up the high frequency of foreclosure actions.

### Mortgage Indebtedness Reduced

Liquidation of mortgage indebtedness has continued through the process of routine debt payments and through the more painful process of liquidation by distress sales. Some measure of this reduction in indebtedness can be obtained by observing the trend in farm mortgages recorded and cancelled. Following is a comparison of the farm mortgages recorded and cancelled in Ohio the past four years, in 1920 and 1913 expressed in terms of index numbers:

	<u>1913</u>	<u>1920</u>	<u>1929</u>	<u>1930</u>	<u>1931</u>	<u>1932</u>
Farm Mortgages recorded (number)	100	135	107	99	88	75
" " cancelled (number)	100	131	83	71	69	60
" " recorded (amount)	100	282	147	113	93	93
" " cancelled (amount)	100	202	148	131	126	113

### Have Land Prices Completed a Cycle?

The first six months of 1933 is generally presumed to mark the low point in the current depression. Although land prices lag somewhat behind the trend of prices of consumable goods it may be that the same period also marks the low point in land prices. On the basis of this assumption the figures on land values by counties presented in Table IV are of interest in that they would represent a complete cycle of land prices.

The previous low point was somewhere between 1895 and 1900, such data as are available indicating that land prices from 1897 to 1899 were on a lower level than in the years preceding or following.

The figures in Table IV tell the story of urban development in various counties as well as the trend of values related more closely to agricultural production. In at least eight counties, Cuyahoga, Franklin, Hamilton, Lake, Lucas, Mahoning, Montgomery and Summit the average per acre land values are decidedly influenced by the adjacent urban-industrial centers. Much land in these counties is valued on the basis of prospective urban use and not on agricultural use, although for census purposes it still is classed as farm land. In these eight counties farm land had an average value of \$202.74 per acre according to the 1930 census and in the remaining eighty counties an average value of \$71.57 per acre. This latter figure corresponds closely to the average per acre value (\$71.63) established by actual sales in 1930. If we assume that the decline in land values has been at a uniform rate throughout the state the average value of farm land in these eight counties in the first half of 1933 was \$146.99 per acre; in the other eighty counties \$51.89 per acre; and in all eighty-eight counties \$57.06 per acre. The average for the eighty more nearly rural counties (\$51.89) is slightly higher than the average value (\$51.14) established by recent sales.

Table IV.- Census Values of Farm Land Including Buildings by Counties,  
1890 to 1930 and Estimated Value 1933\*

County	1890	1900	1910	1920	1925	1930	1933
(Dollars per acre)							
Adams	18.00	16.00	25.51	48.23	33.00	33.28	24.13
Allen	55.00	48.00	94.63	168.16	110.53	86.42	62.65
Ashland	55.00	40.00	61.79	89.73	70.62	57.34	41.57
Ashtabula	36.00	32.00	47.37	77.30	79.25	83.32	60.41
Athens	26.00	25.00	29.45	42.44	37.42	36.60	26.54
Auglaize	46.00	45.00	83.96	147.91	96.99	81.97	59.43
Belmont	42.00	34.00	52.17	66.00	58.77	55.77	40.43
Brown	33.00	30.00	41.52	74.50	52.08	49.06	35.57
Butler	53.00	50.00	75.36	135.25	107.73	116.84	84.71
Carroll	39.00	29.00	36.92	44.91	41.99	35.57	27.79
Champaign	50.00	45.00	81.56	139.40	90.00	73.78	53.49
Clark	64.00	62.00	91.55	154.37	120.27	90.96	65.95
Clermont	36.00	30.00	46.08	83.14	66.50	69.05	50.06
Clinton	48.00	46.00	82.10	154.69	97.36	71.59	51.50
Columbiana	46.00	44.00	55.24	71.85	75.41	71.04	51.50
Coshocton	39.00	30.00	37.16	52.17	44.94	43.38	31.45
Crawford	54.00	52.00	81.58	120.43	94.56	76.08	55.16
Cuyahoga	99.00	120.00	204.99	298.34	533.32	624.83	453.00
Darke	51.00	52.00	101.13	164.64	114.21	89.24	64.70
Defiance	45.00	42.00	80.86	135.00	96.56	76.78	55.67
Delaware	45.00	40.00	71.90	125.40	86.46	75.12	54.46
Erie	74.00	64.00	98.56	138.28	119.40	117.65	85.30
Fairfield	52.00	46.00	77.38	127.44	94.11	87.99	63.79
Fayette	45.00	55.00	95.66	186.20	107.93	79.35	57.53
Franklin	70.00	82.00	114.58	195.29	154.44	161.83	117.33
Fulton	50.00	50.00	89.75	165.77	104.96	97.63	70.78
Gallia	17.00	19.00	21.43	36.63	29.18	32.48	23.55
Geauga	32.00	34.00	49.81	89.53	105.20	138.24	100.22
Green	56.00	53.00	83.07	168.61	104.86	85.11	61.70
Guernsey	29.00	24.00	35.50	44.35	40.30	37.25	27.01
Hamilton	106.00	90.00	115.77	159.45	151.02	208.70	151.31
Hancock	57.00	50.00	96.17	158.38	103.19	85.74	62.16
Hardin	43.00	43.00	85.53	143.62	93.15	70.15	50.86
Harrison	41.00	32.00	45.64	57.58	46.68	39.13	28.37
Henry	49.00	54.00	102.40	198.59	131.54	112.00	81.20
Highland	25.00	30.00	45.67	88.73	60.16	51.87	37.61
Hocking	20.00	15.00	22.51	34.55	31.77	29.54	21.42
Holmes	51.00	40.00	57.16	83.22	70.50	66.00	47.85
Huron	50.00	43.00	72.15	100.54	70.21	61.96	44.92
Jackson	16.00	16.00	19.78	29.03	27.62	30.10	21.82
Jefferson	42.00	32.00	43.00	55.91	56.59	53.68	38.92
Knox	44.00	35.00	60.13	88.14	67.36	57.92	41.99
Lake	65.00	73.00	121.42	236.38	279.82	394.89	286.30
Lawrence	19.00	19.00	23.73	49.04	46.41	51.11	37.05
Licking	37.00	37.00	58.96	94.43	80.97	73.45	53.25

\*Computed from the current index number established by records of voluntary sales.

Table IV.- Census Values of Farm Land Including Buildings by Counties,  
1890 to 1930 and Estimated Value 1933 (continued)

County	1890	1900	1910	1920	1925	1930	1933
(Dollars per acre)							
Logan	43.00	37.00	69.45	120.72	85.41	65.82	47.72
Lorain	56.00	52.00	76.56	121.02	122.56	130.12	94.34
Lucas	78.00	81.00	127.11	211.24	181.38	224.44	162.72
Madison	45.00	50.00	86.31	156.17	100.96	71.15	51.58
Mahoning	49.00	44.00	70.72	106.19	110.31	105.72	76.65
Marion	47.00	46.00	85.95	157.93	99.68	75.06	54.42
Medina	51.00	44.00	62.21	113.19	101.00	104.27	75.60
Meigs	24.00	20.00	25.81	37.93	36.41	34.58	25.07
Mercer	42.00	42.00	90.49	153.13	99.44	80.45	58.33
Miami	68.00	58.00	102.29	172.85	118.32	103.81	75.26
Monroe	26.00	26.00	31.62	43.95	32.95	31.34	22.72
Montgomery	74.00	71.00	128.26	168.99	159.41	161.48	117.07
Morgan	31.00	25.00	31.48	39.80	33.08	31.32	22.71
Morrow	42.00	38.00	62.31	95.10	66.53	50.59	36.68
Muskingum	34.00	26.00	37.74	54.28	48.78	46.29	33.56
Noble	33.00	27.00	37.48	50.41	36.58	32.45	23.53
Ottawa	66.00	72.00	113.58	164.28	134.00	135.67	98.36
Paulding	36.00	38.00	99.28	186.79	103.93	84.11	60.98
Perry	29.00	27.00	34.83	56.49	46.32	45.46	32.96
Pickaway	47.00	54.00	93.56	173.48	104.36	80.71	58.51
Piko	16.00	15.00	21.57	34.84	33.80	32.90	23.85
Portage	45.00	43.00	56.77	95.40	87.97	96.68	70.09
Preble	43.00	49.00	84.53	157.76	104.58	87.36	63.34
Putnam	50.00	50.00	105.08	174.32	116.95	100.54	72.89
Richland	47.00	40.00	64.79	96.19	83.27	68.22	49.46
Ross	35.00	33.00	56.19	91.23	66.14	56.06	40.64
Sandusky	69.00	70.00	100.87	142.55	110.23	108.45	78.63
Scioto	16.00	16.00	25.61	40.21	48.18	49.45	35.85
Seneca	53.00	55.00	86.00	127.75	87.87	87.38	63.35
Shelby	43.00	40.00	82.52	142.22	92.79	74.63	54.11
Stark	65.00	58.00	87.85	137.76	116.90	125.67	91.11
Summit	65.00	57.00	83.04	188.96	144.08	186.67	135.34
Trumbull	37.00	37.00	54.21	94.99	102.20	82.89	60.10
Tuscarawas	45.00	36.00	48.72	61.94	59.29	56.87	41.23
Union	45.00	42.00	76.80	138.37	88.25	67.88	49.21
Van Wert	45.00	47.00	100.28	195.14	115.28	88.31	64.02
Vinton	17.00	13.00	15.75	23.88	21.11	20.79	15.07
Warren	41.00	47.00	69.45	118.64	95.72	86.20	62.50
Washington	26.00	26.00	33.69	50.37	42.74	45.45	32.95
Wayne	65.00	54.00	79.14	118.51	94.85	92.15	66.81
Williams	49.00	43.00	72.59	127.92	87.97	68.39	49.58
Wood	62.00	63.00	102.93	195.62	135.07	117.72	85.35
Wyandot	50.00	45.00	82.11	133.45	86.46	72.33	52.44
State Average	44.96	42.31	68.62	113.18	87.57	78.71	57.06

## Farm Tax Valuations Decline Less Than Market Price

Tax valuations of farm land have been radically reduced in the past few years following the trend of declining market value. The reduction of real property tax valuation was 18.7 per cent in the period 1927 to 1932 inclusive taking the state as a whole and 33 per cent in unincorporated territory. In terms of value established by actual sales, farm tax valuations averaged 83 per cent of the market value in 1926. The question is: how have recent changes in market value and in tax valuations affected this relationship? A fairly satisfactory answer to this question has been obtained by comparing the values indicated in various counties by the federal census and by more recent information on sales of farms collected for publication in these reports. This information indicates that the 1932 tax valuations of rural land (upon which taxes are due of collection in 1933) were 91 per cent of the average market value as compared to 83 per cent six years previously. Since the measures of value used are the prices at voluntary sale and not at forced sale it can be readily understood why so relatively few properties have been sold in recent years at more than the tax valuation.

Another tendency worthy of mention is for tax valuations to be higher in terms of market value in some parts of the State than in others. In the group of counties comprising northwestern Ohio valuations now average nearly 100 per cent of the market value. In northeastern and southwestern Ohio valuations average about 88 per cent of the market value whereas in southeastern Ohio they average 82 per cent of the market value, remaining almost constant at this figure since 1926. These differences, of course, vary from county to county; but it appears that, as a general tendency, the very rapid decline in land values in the more purely agricultural sections of Ohio has not been fully appreciated by taxing officials.